

# EXHIBIT 7

# EVERCORE ISI

## FLASH NOTE

Energy | Oil & Gas Exploration & Production

April 27, 2017

### ANADARKO PETROLEUM

APC | \$70.18

OUTPERFORM | TARGET PRICE: \$88.00

Commentary

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## APC Colorado Shut-ins

### Residential explosion and subsequent investigation sees APC shut-in legacy production in NE CO

APC released a statement yesterday evening that caught the market (and us) off guard. The stock underperformed by 300 bps (vs. XOP) today in a tough tape for the broader sector. Unknowns remain in regards to the causes and implications of the proactive announcement by APC and the event in question. Our view is that while the value implication directly associated with the shut-in production and any physical remediation is likely immaterial for APC, and the market likely overreacted to the tangible value implication of the incident today, information flow may remain uneven near-term and the precise facts surrounding the incident remain unclear. We look forward to clarity from the Colorado regulatory authorities and APC when available (APC reports 1Q results, Tuesday May 2nd, AMC).

#### What we know so far.

- \* APC released a statement that it had temporarily shut in roughly 3,000 legacy vertical wells in NE Colorado following a home explosion on April 17th in Firestone, CO. The home was recently constructed ~200' from an APC-owned vertical well drilled in 1993 (drilled by another operator). APC noted the exact cause of the explosion has not yet been identified and an investigation is currently ongoing, and that its decision to shut in wells was taken entirely voluntarily and out of an abundance of caution. The statement noted APC's production from the wells totaled ~13 mboe/d (we understand ~75% natural gas) and testing to clear the wells would likely take two to four weeks depending on weather.
- \* The home explosion occurred at approximately 4:30 pm MT in Firestone, CO (Weld Ct, ~30 mi north of Denver) on April 17th, near a legacy vertical well (Coors V #6-14Ji) initially drilled in 1993 which produces primarily natural gas. The well was acquired from the original operator by Patina Oil and Gas Corp. in 1997 who then re-completed the well to the J-Sand formation. NBL then acquired the well in 2005, with APC ultimately acquiring the well in 2014.
- \* The investigation into the cause and origin of the fire is ongoing and is being led by the Frederick-Firestone Fire Protection District with assistance being provided by the Colorado Oil and Gas Conservation Commission (COGCC), which according to press reports took over this role from the Colorado Public Utilities Commission (PUC) shortly after the investigation began. Earlier today the COGCC held a press conference where it provided additional detail on its role in the investigation and circumstances surrounding the event.
- \* On the day of the explosion APC, PUC, and public utility personnel all responded. COGCC responded the following day (April 18th) and has been on the scene every weekday since. Since then COGCC environmental staff responded to gather environmental samples at the site of the explosion and has tested for fugitive methane or other hydrocarbons in the neighborhood. COGCC noted that "based on all of its investigations it believes there is no immediate threat to the environment or public safety associated with oil and gas operations in the neighborhood" and also that pending a more complete understanding of the circumstances involved, COGCC would consider other near-term actions that could be required by operators either field-wide or state-wide to address any 'specific issues' identified by the investigation.
- \* APC is the largest oil and gas producer in Colorado, with 4Q DJ Basin total / natural gas production of ~244 mboed / ~644 mmcf/d. APC is prioritizing well inspections based on proximity to existing infrastructure and existing housing & commercial developments. The Coors V #6-14Ji well was last inspected in August 2014.

DJ basin exposed peers underperformed today on sympathy (NBL, SRC, XOG, PDCE). With setbacks in urban areas a ballot issue in previous elections, an area of focus will likely be any change in forward regulations. Current set back rules stipulate horizontal wells must be set back 500+ ft.

**Exhibit**  
**524**

## TIMESTAMP

(Article 3(1)e and Article 7 of MAR)

Time of dissemination: April 27, 2017, 18:39 ET.

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Strong Buy - Return > 20%  
 Buy - Return 10% to 20%  
 Neutral - Return 0% to 10%  
 Cautious - Return -10% to 0%  
 Sell - Return < -10%

For disclosure purposes, ISI Group and ISI UK ratings were viewed as follows: Strong Buy and Buy equate to Buy, Neutral equates to Hold, and Cautious and Sell equate to Sell.

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 Suspended – the company rating, target price and earnings estimates have been temporarily suspended.

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Stocks included in the model portfolio will be weighted from 0 to 100% for Long and 0 to -100% for Short. A stock's weight in the portfolio reflects the analyst's degree of conviction in the stock's rating relative to other stocks in the portfolio. The model portfolio may also include a cash component. At any given time the aggregate weight of the stocks included in the portfolio and the cash component must equal 100%.

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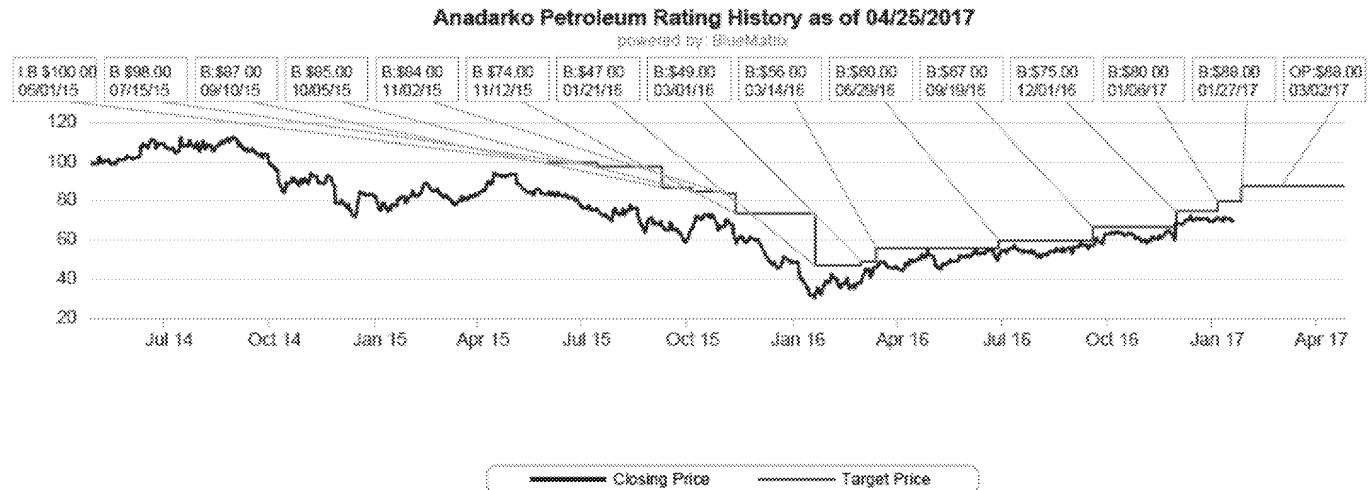
Coverage Universe			Investment Banking Services / Past 12 Months		
Ratings	Count	Pct.	Rating	Count	Pct.
Buy	340	48%	Buy	38	11%
Hold	266	38%	Hold	10	4%
Sell	63	9%	Sell	2	3%
Coverage Suspended	25	4%	Coverage Suspended	5	20%
Rating Suspended	8	1%	Rating Suspended	2	25%

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